on all lines. In its new form the book will doubtless find an increasing sphere of usefulness. CHESTER LLOYD JONES.

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**Brace, H. H.** *Gold Production and Future Prices.* Pp. viii, 145. Price, $1.50. New York: Bankers Publishing Company, 1910.

The author of this monograph has given his readers a brief, logical and interesting analysis of his subject. The first third of the book is devoted to a history of prices and the production of precious metals. This part of the work concludes with a description of modern processes in which gold production has been cheapened to an extent that is startling in its possible significance. The second part of the book gives a lucid discussion of the relation of demand and supply, reaching the conclusion that the value of gold is declining. The author explains that the effects of cheaper gold are not evenly distributed among commodities.. He takes issue with writers who hold that price movements cannot be attributed to changes in the value of the standard unless prices of all commodities move together, showing that this view assumes an impossible uniformity in all other price-making factors.

To this point the work may be regarded as a restatement of accepted economic facts and theory. The rest of the book, however, deals with "influences which tend to augment the effects of increased gold production" and "counteracting influences." Among the augmenting influences are (1) the extension of credit as a substitute for gold; (2) a decline in the use of gold for display among most advanced nations. Among the counteracting influences are (1) the increased facility in producing commodities; (2) diminishing ratio of new gold supplies to total stock; (3) the increased demand for gold which comes from a higher level of prices; (4) the elimination of other standards of value. The law of diminishing returns is mentioned as affording a natural check to mining operations. This, however, is a sword which cuts both ways, operating upon many commodities as well as upon gold. In view of the modern improvements in gold production, the effect of diminishing returns in that field may be for a long time postponed.

Mr. Brace seems not to be deeply concerned with the academic question whether it is the greater supply of gold or the lower cost of producing gold which makes it cheaper. In the introduction he says, "The most effective of the general influences which underlie the great swells of price movements is the cost of producing gold as compared with the cost of producing all other commodities," but on page 142 we read, "Gold is often a by-product and this tends to make it independent of its own cost of production. Then there is a thirst for gold which causes men to search for it and mine it with such eagerness that the cost, all things considered, is greater than the selling price." Throughout the discussion the implication seems to be that supply rather than cost is the fact to be reckoned with.

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